

School Reporting Contact Newsletter Winter 2006

We hope that everyone had a good Holiday Season and enjoyed some time of relaxation with family and friends. As the New Year begins, we would like to share a few points to keep the reporting process working smoothly for you.

Enclosed are Recap Reports as well as Wage and Contribution Reports for disk and paper reporters. Please discard the old forms and begin using the new forms with your next report. Also enclosed is a listing of those members reported by your school and the demographic information for each that we have on PIONEER. **On-line and disk reporters;** please review the address listings for accuracy and make any necessary corrections. **Paper reporters;** please review for accuracy the demographics for each member on their printed Wage and Contribution Report. If there are changes to be made, please mark them in the "Changes/Corrections to Demographic Information" column on the right side of the form. Members without address information will not receive important mailings from our office until we have an updated address on file.

CONFIRMING ONLINE REPORTS

Please note that you have completed the online confirmation process when the "UNCONFIRM" option is available. The "CONFIRM" and "UNCONFIRM" options are choices for you to make in your reporting process.

PAYMENTS

- Web reporters who send only a check to our office should be sure to indicate the county/district number on the check as well as the month of the report. Without this information, it can be difficult to track down where the payment belongs.
- We can only accept one payment, check or ACH, per reporting period for each school.

If you do not pay by **ACH**, why not consider giving it a try? (One payment is allowed per report)

- ❖ No checks lost in the mail.
- ❖ For web reporters, there is nothing to mail in. Once you confirm, YOU'RE DONE!
- ❖ If you have corrections to a report, the correct payment amount will be withdrawn. No overage or underage amounts to worry about. Payment amount ALWAYS matches your report.

PENALTIES

We would much rather receive timely, accurate reports than have to write penalty letters. We are required by statute to penalize for reports not received and/or confirmed by the date due. Reports must be accurate and ready to post to be considered received. If you are having trouble completing your reports correctly or on time, please contact us for assistance **prior** to the date due. Back pay and retroactive salary adjustments that are submitted in lump sums will be considered inaccurate and may be penalized. Any salaries of this nature must be attributed to the appropriate month in which they were earned. **REMINDER:** Employers are responsible for any interest due to a member's account if contributions are reported late.

****Starting with the January 2006 reports, we will be following state statute and charging an additional penalty of .038 percent per day of the reported total for late reports.****

ADJUSTMENTS

It is very important that all changes to member accounts are properly documented. Therefore, any adjustments made on reports, including online reports, **will now require the completion of an Adjustment Report form including the section "Explanation of adjustments."** This form can be found in your Manual for School Employer Contacts or downloaded from our website.

CONTRIBUTIONS REMITTED IN ERROR

The following are examples of compensation that are not reportable for retirement purposes under the statutes. Contributions should not be withheld from the following:

- Payments for unused vacation or sick leave, whether paid periodically or in a lump-sum;
- Insurance premiums converted to cash payments;
- Reimbursement for expenses;
- Employer paid fringe benefits (example: LTD premiums);
- Retirement incentive pay or retirement bonuses;
- Cash awards;
- Severance pay;
- Bonuses for services not actually rendered;
- Payments an employee may receive from Worker's Compensation;
- Disability paid by insurance company;
- Jury duty pay;
- Compensation that is fraudulently obtained; or
- Compensation that can be manipulated by the employee.

During audits of your school, this issue will be reviewed and addressed. Correction(s) will be required if compensation is being or has been improperly reported. Contributions remitted in error are subject to refund and will be deducted from a future report. You should note, however, that NPERS rules and regulations limit the length of time for which corrections can be made. The member's portion of contributions can be refunded going back two years prior to the reporting period the adjustments are completed. The employer's portion can be refunded for one year prior to the reporting period the adjustments are completed. Contributions reported in error prior to the allowed time limit (2 years-employee; 1 year-employer) will not be refunded. The relevant Rule and Regulation (303 NAC Chapter 18) is as follows:

003 Excess Contributions

003.01 If NPERS determines that a retirement system has received an excess employee contribution, NPERS shall return the excess employee contribution to the employer, and the employer shall return the excess employee contribution to the employee.

003.02 If NPERS determines that a retirement system has received an excess employer contribution, NPERS shall credit the excess employer contribution against future employer contributions. Adjustments due to excess employer contributions shall be made within one year of the date the excess contribution was received by NPERS. If more than one year has passed since the date the contribution was received, the excess contribution shall not be adjusted.

010 Statute of Limitations

010.01 Every claim and demand under these regulations and against NPERS or the Board shall be forever barred unless the action is brought within two years of the time at which the claim accrued.

Once an employer is notified that contributions have been reported on improper compensation, it is the responsibility of the employer to discontinue the improper contributions and correct the previous errors. Please contact NPERS for instructional assistance when reporting adjustments. (Compensation determined improper, even if not refunded, will not be considered when calculating a retirement benefit.)

SEMINARS

There has been some concern that other groups may be providing retirement seminars. To be sure that our members are attending one that is being presented by NPERS, please have them call our office or check the seminar schedule on our website.

By attending an NPERS presented seminar, members are assured current and accurate information regarding their accounts and retirement eligibility. We have been informed that a rumor is circulating regarding the retirement plan dropping the "Rule of 85" and returning to the "Rule of 90." **This information is incorrect**; please refer to the current Member Booklet or contact our office with any questions regarding retirement eligibility.

MISCELLANEOUS

Contract Payouts/Lump Sums – Please keep us informed of the breakdown of lump sum payouts for departing employees. NOTE: Retiree benefits will not be paid any sooner because the final pay is lump sum.

Forms – Most forms can be downloaded from our web site at www.npers.ne.gov.

Checks - Please **do not staple** checks. Removing staples tends to damage paperwork.

Sick and Vacation Hours - Used leave hours are to be reported with the salary. (*See page 4-1 of the *Manual for School Employer Contacts*)

E-Mails – When e-mailing NPERS, please include your school name and county/district information. It has been difficult at times to match the author to the school and research a reply.

Member Booklets - were revised 10/05. If you do not have this version or need to replenish your supply, please contact NPERS or complete an order form in the forms section of your manual. The complete manual is also available online at www.npers.ne.gov

Internet – When accessing the NPERS website be sure to use **Internet Explorer**. Other web browsers do not always work well with our site.

Addresses – Please report updated member addresses as you receive them. Be sure to handle **new employees** as if they have had an address change.

Contact US

The transition of Cheryl Mueller to the Auditing department and Sheryl Hesseltine to the Accounting department is going smoothly. Thank you for your patience and understanding during Sheryl's process of learning the Employer Reporting procedures.

When you call our office for reporting assistance, be sure to ask for Sarah and, of course, Sheryl Hesseltine (Sheryl in Accounting) is always happy to help.

Sarah Moore at (402) 471-6098 or e-mail smoore@npers.ne.gov
Sheryl Hesseltine at (402) 471-9497 or e-mail shesselt@npers.ne.gov